

TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

Volume 263, Page 1

November 2003

ITEMS TO REMEMBER

DECEMBER

- December 1: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Township shall certify a list of the names and addresses of each person who has money due from the Township to the County Treasurer. [IC 6-1.1-22-14]
- December 20: If a school township has become a part of a school corporation organized under Chapter 202, Acts of 1959, as amended, and if the reorganized school unit is obligated for civil aid bond retirement, the trustee will receive from the school corporation an amount of money sufficient to pay civil aid bonds and coupons coming due January 1, 2004. [IC 20-4-1-35]
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 31: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

JANUARY

- January 1: Legal Holiday - New Year's Day. [IC 1-1-9-1]
- January 1: Set up the Financial and Appropriation Record for the year 2004, by bringing forward the fund (cash) balances at the close of the year 2003 and entering appropriations as finally adopted and approved.
- January 6: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) [IC 36-6-6-7]
- January 6-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer's local board of finance summarizing the township's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:
(1) Review the report.
(2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) [IC 5-13-7-6, IC 5-13-7-7]

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ITEMS TO REMEMBER
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January	15:	Assessment date for mobile homes defined in IC 6-1.1-7-1. [IC 6-1.1-1-2]
January	15:	Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.
January	19:	Legal Holiday - Martin Luther King, Jr.'s Birthday. [IC 1-1-9-2]
January	20:	Last day for the annual meeting of the township board for the purpose of receiving, auditing and approving the report of the township trustee for 2003 (On or before the third Tuesday after the first Monday in January.) [IC 36-6-6-9]
January	30:	Last day to file 2003 financial report, Township Form 15, with the State Board of Accounts. Use the forms sent to you or which you picked up at the State Board of Accounts meeting in Indianapolis, November 19, 2003.
January	31:	All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]
January	31:	Last day to provide each employee with a W-2.
January	31:	Last day to file quarterly 941 report for last quarter of 2003 with Internal Revenue Service.
January	31:	Last day to file Form 100R Report of Names and Compensation of all Officers and Employees, with the State Board of Accounts. Be sure to indicate the name of the township and the name of the county on page one of the form. A supply of forms for the report can be procured from your supplier of township forms. The form should be mailed to the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, IN 46204. [IC 5-11-13-1]
January	31:	Last day to make report for last quarter of 2003 to the Department of Workforce Development.
January	31:	Last day for trustee to file the copy of the Annual Report, Township Form 15, as approved by the township board, together with the 2003 vouchers, in the office of the county auditor (ten (10) days after the meeting of the township board on January 20). [IC 36-6-4-12]

FEBRUARY

February	12:	Legal Holiday – Lincoln's Birthday. [IC 1-1-9-1]
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| February | 16: | Legal Holiday – Washington’s Birthday. [IC 1-1-9-1] |
| February | 16: | Last day for publication of township trustee’s Annual Report, Township Form 15, for 2003 in summary form. (Within four weeks after the third Tuesday after the first Monday in January.) [IC 36-6-4-13] |
| February | 28: | All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)] |
| February | 28: | Last day to file withholding statement together with Yearly Reconciliation of Employer’s Quarterly Tax Returns with Social Security Administration and Indiana Department of Revenue, respectively. |

FORMS PRESCRIBED BY THE STATE BOARD OF ACCOUNTS

Some computer hardware, software and application systems can now produce exact replicas of the forms prescribed by the State Board of Accounts. Additionally, some of the prescribed forms are currently replicated on continuous, preformatted computer paper.

The State Board of Accounts prescribes the required accounting system forms, but does not specify the source from which the forms must be obtained. Therefore, the State Board of Accounts will not take exception to the use of forms which provide exact replications of the prescribed forms created by computer printer or utilizing continuous form computer paper. (All prenumbered forms must still be serially prenumbered by the printing supplier prior to delivery to the township). These exact replications must be identical to the prescribed forms in format, titles and locations of data. These exact replications of prescribed forms are not required to be submitted to the State Board of Accounts for approval and each form should be identified as **“PRESCRIBED BY THE STATE BOARD OF ACCOUNTS”**.

The use of computer generated prescribed forms should be brought to the attention of the Field Examiners during the next regularly scheduled audit. The forms and the computer system generating the forms are subject to a technical computer audit based upon the results of the Field Examiners’ risk assessment.

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RECORD OF HOURS WORKED

IC 5-11-9-4(b) states in part, “. . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . .”

The requirement may be accomplished by preparing an endorsement on the payroll claim form showing the general work schedule and listing those specific employees who worked hours different from that general work schedule. Each person responsible for employees' attendance at a work station or for forwarding such information to the payroll department will be responsible for preparing such endorsement on the payroll claim for his or her office, department, or other work attendance area.

Another alternative is to add a statement on each Employee's Service Record, General Form 99A and/or Employee's Earnings Record, General Form 99B indicating the hours to be worked daily by that employee or official.

Please continue using your current payroll claim, service record and earnings record forms with the foregoing suggested additions.

GARNISHMENT OF SALARIES AND WAGES

IC 24-4.5-5-105 limits the maximum amount which may be subjected to garnishment and states in part, “(5) An employer who is required to make deductions from an individual's disposable earnings pursuant to a garnishment order or series of orders arising out of the same judgment debt (excluding a judgment for payment of child support) may collect, as a fee to compensate the employer for making these deductions, an amount equal to the greater of twelve dollars (\$12) or three percent (3%) of the total amount required to be deducted by the garnishment order or series of orders arising out of the same judgment debt. If the employer chooses to impose a fee, the fee shall be allocated as follows: (a) One-half (1/2) of the fee shall be borne by the debtor, and that amount may be deducted by the employer directly from the employee's disposable earnings. (b) One-half (1/2) of the fee shall be borne by the creditor, and that amount may be retained by the employer from the amount otherwise due the creditor. The deductions made under this subsection for a collection fee do not increase the amount of the judgment debt for which the fee is collected for the purpose of calculating or collecting judgment interest. This fee may be collected by an employer only once for each garnishment order or series of orders arising out of the same judgment debt. The employer may collect the entire fee from one (1) or more of the initial deductions from the employee's disposable earnings. Alternatively, the employer may collect the fee ratably over the number of pay periods during which deductions from the employee's disposable earnings are required. (6) The deduction of the garnishment collection fee under subsections (5)(a) or subsection (7) is not an assignment of wages under IC 22-2-6. (7) An employer who is required to make a deduction from an individual's disposable earnings in accordance with a judgment for payment of child support may collect a fee of two dollars (\$2) each time the employer is required to make the deduction. The fee may be deducted by the employer from the individual's disposable earnings each time the employer makes the deduction for support. If the employer elects to deduct such a fee, the amount to be deducted for the payment of support must be reduced accordingly if necessary to avoid exceeding the maximum amount permitted to be deducted under subsection (3). (8) A support withholding order takes priority over a garnishment order irrespective of their dates of entry or activation. If a person is subject to a support withholding order and a garnishment order, the garnishment order shall be honored only to the extent that disposable earnings withheld under the support withholding order do not exceed the maximum amount subject to garnishment as computed under subsection (2).”

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OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133 – DUNS NUMBERS

We understand DUNS stands for “data universal numbering system.” DUNS numbers are issued by Dun and Bradstreet (D&B) and consist of nine digits. Some institutions will also have what is known as “DUNS + 4,” which is used to identify specific units in that institution.

We have been informed by Ms. Sandra R. Swab of the Office of Management and Budget (OMB) that at some point OMB would be asking for all entities that receive federal grants to have DUNS numbers. Therefore we suggest that all Townships should obtain a DUNS number.

A number of internet sites can provide some additional information including <http://www.neh.fed.us/grants/guidelines/duns.html>. You can also call 1-866-705-5711

GAO INDEPENDENCE STANDARDS

The State Board of Accounts has evaluated and modified our auditing procedures and practices in conjunction with the GAO's (General Accounting Office) amended auditor's independence provisions of generally accepted government auditing standards (GAGAS). The new standard was issued to better serve the public interest by maintaining a high degree of integrity, objectivity and independence for CPAs, non-CPAs and other practitioners who audit government entities and organizations receiving government funds. Compliance with the new standard hinges on compliance with the following two overarching principles;

- 1) Audit organization should not provide nonaudit services that involve performing management functions or making management decisions.
- 2) Firms should neither audit their own work nor provide nonaudit services in situations where the nonaudit services are significant or material to the subject matter of audits.

The new standard includes an "express prohibition regarding auditors providing certain bookkeeping services, and limits of payroll processing and certain other services" which are currently permitted under the American Institute of CPA's auditing standards. Therefore, if we arrive on the audit where records, documents, reconciliations, etc., are incomplete or have not been completed at all, we will no longer be able to complete the records for you. We will however be able to consult and advise on the completion of the records. Additional information will be presented to you at State Board of Accounts called meetings and seminars.

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RAINY DAY FUNDS

Page 1 of Official Opinion 2003-7 issued August 12, 2003 by the Attorney General states in part, "As you may be aware, two separate acts were passed during the 2003 legislative session which amended Section 36-1-8-5.1. First, Public Law 173-2003 (House Enrolled Act 1232) was signed by Governor O'Bannon on May 7, 2003. Subsequently, Public Law 267-2003 (Senate Enrolled Act 166) was signed by the Governor on May 8, 2003. Pursuant to the established rule of statutory construction, when two inconsistent acts are passed by the same session of the legislature, the more recently passed statute is controlling.¹ Therefore, because Public Law 267-2003 was passed subsequent to Public Law 173-2003, it is effective."

Additionally, the following is provided under the caption "BRIEF ANSWERS":

1. The sources of a rainy day fund established by a political subdivision are limited to funds raised by a general or special tax levy under Indiana Code Section 36-1-8-5, or supplemental distributions made by the Indiana Department of Revenue from various county accounts under Indiana Code Section 36-1-8-5.1(a)(2)-(4).
2. The fiscal body of a political subdivision is required to transfer the entire balance of an unused fund under Indiana Code Section 36-1-8-5 to either its general fund or a rainy day fund, but certain limitations apply. Per fiscal year, the amount transferred to a rainy day fund may not exceed ten percent (10%) of the political subdivision's total budget. The transfer may occur only when no other statute provides that the unused funds are to be transferred elsewhere.
3. The statutory reference to "ten percent (10%) of the political subdivision's total budget" in Indiana Code Section 36-1-8-5.1(c) indicates the capped amount a political subdivision may transfer into a rainy day fund (under Indiana Code Section 36-1-8-5) is ten percent (10%) of the total budget for all of the political subdivision's funds combined.
4. The reference to "intent" in Indiana Code Section 36-1-8-5.1(b) is a reference to the intent of the rainy day fund. Rainy day funds are intended to be used during times of economic downturn in order to stabilize a political subdivision's budget so that spending may be maintained without increasing taxes. Therefore, any appropriation consistent with that general intent would be proper.
5. Indiana Code Section 36-1-8-5(b) indicates that unused balances of funds may be transferred to the rainy day fund "unless a statute provides that it be transferred otherwise." Therefore, the original statute creating the fund from which the transfer may come is controlling as to any limitations or directions concerning the transfer of the unused funds. Once appropriately transferred to the rainy day fund, disbursements need only be for a use that is consistent with the intent of the rainy day fund and any previous statutory restrictions do not apply.
6. The determination concerning whether the purpose of a tax levy has been fulfilled should be based on an analysis of the specific provisions of the appropriate act and its stipulations concerning the purpose and use of the funds appropriated.

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